

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



February 23, 1984

ALL-COUNTY LETTER NO. 84-27

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: TREATMENT OF INCOME TAX REFUNDS FOR TAX YEAR 1983
BY AFDC, RCA AND ECA APPLICANTS AND RECIPIENTS
REFERENCE: ALL COUNTY LETTER #83-20, DATED MARCH 15, 1983
MPP SECTIONS 44-113.8 AND 44-207.4

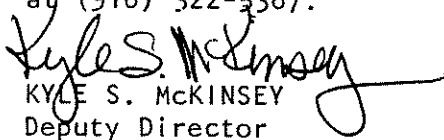
In All County Letter No. 83-20, we informed you to continue to treat income tax refunds received in 1983 as property in accordance with the August 9, 1982 California Supreme Court Order in Vaessen v. Woods which states in part:

"Pending final determination of this matter, real parties in interest are ordered to treat the following income tax refunds, received by applicants for, or recipients of, Aid to Families with Dependent Children (AFDC), as property resources instead of as income for purposes of determining the allowance and amount of AFDC benefits: (1) refunds received at any time during which real parties are including income tax withholdings as income for such AFDC purposes; (2) refunds attributable to income tax withholdings that were included in income in determining the allowance or amount of AFDC benefits granted the recipients of such refunds."

However, because of the decision in the Turner v. Woods court case, income tax withholding was not considered as income for an AFDC, RCA and ECA recipient for all of 1983. Therefore, you are hereby instructed to treat income tax refunds for tax year 1983 received by an AFDC, RCA or ECA applicant and recipient on or after March 1, 1984 as income under the lump sum provisions of MPP Section 44-207.4. ACL 83-20 continues to apply to tax year 1983 refunds received prior to March 1, 1984.

If, for some reason, an applicant or recipient receives a refund for a tax year prior to 1983, that refund would be treated as property in accordance with the instructions issued for that tax year (see ACL #82-82 and ACL #83-20).

If you have any questions regarding this letter, please contact Joe Carleton at (916) 322-5387.


KYLE S. MCKINSEY
Deputy Director

cc: CWDA

GEN 654 (9/79)